



General Assembly

February Session, 2002

Bill No. 29

LCO No. 88

Referred to Committee on Finance, Revenue and Bonding

Introduced by:

SEN. DELUCA, 32nd Dist.

REP. WARD, 86th Dist.

AN ACT DEFERRING THE PHASE-DOWN OF THE GIFT TAX.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 12-642 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage and*
3 *applicable to income years commencing on or after January 1, 2002*):

4 (a) (1) With respect to calendar years commencing prior to January
5 1, 2001, the tax imposed by section 12-640 for the calendar year shall be
6 at a rate of the taxable gifts made by the donor during the calendar
7 year set forth in the following schedule:

T1	Amount of Taxable Gifts	Rate of Tax
T2	Not over \$25,000	1%
T3	Over \$25,000	\$250, plus 2% of the excess
T4	but not over \$50,000	over \$25,000
T5	Over \$50,000	\$750, plus 3% of the excess

T6	but not over \$75,000	over \$50,000
T7	Over \$75,000	\$1,500, plus 4% of the excess
T8	but not over \$100,000	over \$75,000
T9	Over \$100,000	\$2,500, plus 5% of the excess
T10	but not over \$200,000	over \$100,000
T11	Over \$200,000	\$7,500, plus 6% of the excess
T12		over \$200,000

8 (2) With respect to the calendar [year] years commencing January 1,
9 2001, January 1, 2002, and January 1, 2003, the tax imposed by section
10 12-640 for [the] each such calendar year shall be at a rate of the taxable
11 gifts made by the donor during the calendar year set forth in the
12 following schedule:

T13	Amount of Taxable Gifts	Rate of Tax
T14	Over \$25,000	\$250, plus 2% of the excess
T15	but not over \$50,000	over \$25,000
T16	Over \$50,000	\$750, plus 3% of the excess
T17	but not over \$75,000	over \$50,000
T18	Over \$75,000	\$1,500, plus 4% of the excess
T19	but not over \$100,000	over \$75,000
T20	Over \$100,000	\$2,500, plus 5% of the excess
T21	but not over \$675,000	over \$100,000
T22	Over \$675,000	\$31,250, plus 6% of the excess
T23		over \$675,000

13 (3) With respect to the calendar year commencing January 1, [2002]
14 2004, the tax imposed by section 12-640 for the calendar year shall be at
15 a rate of the taxable gifts made by the donor during the calendar year
16 set forth in the following schedule:

T24	Amount of Taxable Gifts	Rate of Tax
T25	Over \$50,000	\$750, plus 3% of the excess
T26	but not over \$75,000	over \$50,000
T27	Over \$75,000	\$1,500, plus 4% of the excess
T28	but not over \$100,000	over \$75,000
T29	Over \$100,000	\$2,500, plus 5% of the excess
T30	but not over \$700,000	over \$100,000
T31	Over \$700,000	\$32,500, plus 6% of the excess
T32		over \$700,000

17 (4) With respect to the calendar year commencing January 1, [2003]
18 2005, the tax imposed by section 12-640 for the calendar year shall be at
19 a rate of the taxable gifts made by the donor during the calendar year
20 set forth in the following schedule:

T33	Amount of Taxable Gifts	Rate of Tax
T34	Over \$75,000	\$1,500, plus 4% of the excess
T35	but not over \$100,000	over \$75,000
T36	Over \$100,000	\$2,500, plus 5% of the excess
T37	but not over \$700,000	over \$100,000
T38	Over \$700,000	\$32,500, plus 6% of the excess
T39		over \$700,000

21 (5) With respect to the calendar year commencing January 1, [2004]
22 2006, the tax imposed by section 12-640 for the calendar year shall be at
23 a rate of the taxable gifts made by the donor during the calendar year
24 set forth in the following schedule:

T40	Amount of Taxable Gifts	Rate of Tax
T41	Over \$100,000	\$2,500, plus 5% of the excess

T42	but not over \$850,000	over \$100,000
T43	Over \$850,000	\$40,000, plus 6% of the excess
T44		over \$850,000

25 (6) With respect to the calendar year commencing January 1, [2005]
 26 2007, the tax imposed by section 12-640 for the calendar year shall be at
 27 a rate of the taxable gifts made by the donor during the calendar year
 28 set forth in the following schedule:

T45	Amount of Taxable Gifts	Rate of Tax
T46	Over \$950,000	\$45,000, plus 6% of the excess
T47		over \$950,000

29 (7) With respect to the calendar year commencing January 1, [2006]
 30 2008, and each calendar year thereafter, the tax imposed by section 12-
 31 640 for the calendar year shall be at a rate of the taxable gifts made by
 32 the donor during the calendar year set forth in the following schedule:

T48	Amount of Taxable Gifts	Rate of Tax
T49	Over \$1,000,000	\$47,500, plus 6% of the excess
T50		over \$1,000,000

33 (b) The tax imposed by section 12-640 shall be paid by the donor. If
 34 the gift tax is not paid when due the donee of any gift shall be
 35 personally liable for the tax to the extent of the value of the gift.

This act shall take effect as follows:	
Section 1	<i>from passage and applicable to income years commencing on or after January 1, 2002</i>

Statement of Purpose:

To implement the Governor's budget recommendations.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]